

A bill for an act

relating to real property; modifying procedures relating to uses and conveyances of tax-forfeited property; amending Minnesota Statutes 2008, sections 282.01, subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding a subdivision; 287.2205; repealing Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, 11; 383A.76.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 282.01, subdivision 1, is amended to read:

Subdivision 1. **Classification as conservation or nonconservation.** ~~It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership.~~ (a) Parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes must be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses, and the suitability of the forest resources on the land for multiple use, and sustained yield management. The classification, furthermore, must encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; facilitate reduction of governmental expenditures; conserve and develop the natural resources; and foster and develop agriculture and other industries in the districts and places best suited to them.

~~In making the classification the county board may use information made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made. The lands may be reclassified from time to time as the county board considers necessary or desirable, except for conservation lands held by the state free from any trust in favor of any taxing district.~~

~~If the lands are located within the boundaries of an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 60 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this section, it must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 60 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale for six months. A municipality or governmental subdivision shall pay maintenance costs incurred by the county during the six-month period while the property is withheld from public sale, provided the property is not offered for public sale after the six-month period. A clerical error made by county officials does not serve to eliminate the request of the town board or governing body if the board or governing body has forwarded the application to the county auditor. If the town board or governing body of the municipality fails to submit an application and a resolution of the board or governing body to acquire the property within the withholding period, the county may offer the property for sale upon the expiration of the withholding period.~~

(b) Whenever the county board deems it appropriate, the board may hold a meeting for the purpose of reclassifying tax-forfeited land that has not been sold or released from the trust. The criteria and procedures for reclassification are the same as those required for an initial classification.

(c) Prior to meeting for the purpose of classifying or reclassifying tax-forfeited lands, the county board must give notice of its intent to meet for that purpose as provided in this paragraph. The notice must be given no more than 90 days and no less than 60 days before the date of the meeting; provided that if the meeting is rescheduled, notice

of the new date, time, and location must be given at least 14 days before the date of the rescheduled meeting. The notice must be posted on a Web site under the procedures in section 331A.12. The board must also mail a notice by electronic means to each person who requests notice of meetings dealing with this subject and who agrees as provided in chapter 325L to accept notice that is mailed by electronic means. Receipt of actual notice under the conditions specified in section 13D.04, subdivision 7, satisfies the notice requirements of this paragraph.

The board may classify or reclassify tax-forfeited lands at any regular or special meeting, as those terms are defined in chapter 13D and may conduct only this business, or this business as well as other business or activities at the meeting.

(d) At the meeting, the county board must allow any person or agency possessing pertinent information to make or submit comments and recommendations about the pending classification or reclassification. In addition, representatives of governmental entities in attendance must be allowed to describe plans, ideas, or projects that may involve use or acquisition of the property by that or another governmental entity. After allowing testimony, the board may classify, reclassify, or delay taking action on any parcel or parcels. In order for a state agency or a governmental subdivision of the state to preserve its right to request a purchase or other acquisition of a forfeited parcel, it may, at any time following forfeiture, file a written request to withhold the parcel from sale or lease to others under the provisions of subdivision 1a.

(e) When classifying, reclassifying, appraising, and selling lands under this chapter, the county board may designate the tracts as assessed and acquired, or may by resolution provide for the subdivision of the tracts into smaller units or for the grouping of several tracts into one tract when the subdivision or grouping is deemed advantageous for conservation or sale purposes. This paragraph does not authorize the county board to subdivide a parcel or tract of tax-forfeited land that, as assessed and acquired, is withheld from sale under section 282.018, subdivision 1.

(f) A county board may by resolution elect to use the classification and reclassification procedures provided in paragraphs (g), (h), and (i), instead of the procedures provided in paragraphs (b), (c), and (d). Once an election is made under this paragraph, it is effective for a minimum of five years.

(g) The classification or reclassification of tax-forfeited land that has not been sold or released from the trust may be made by the county board using information made available to it by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made.

(h) If the lands are located within the boundaries of an organized town or incorporated municipality, a classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 60 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body disapproves of the classification or reclassification and sale, the county board must follow the procedures in paragraphs (c) and (d), with regard to the parcel, and must additionally cause to be published in a newspaper a notice of the date, time, location, and purpose of the required meeting.

(i) If a town board or a governing body of a municipality desires to acquire any parcel lying in the town or municipality by procedures authorized in this section, it may file a written request under subdivision 1a, paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2008, section 282.01, subdivision 1a, is amended to read:

Subd. 1a. **Conveyance; generally to public entities.** (a) Upon written request from a state agency or a governmental subdivision of the state, a parcel of unsold tax-forfeited land must be withheld from sale or lease to others for a maximum of six months. The request must be submitted to the county auditor. Upon receipt, the county auditor must withhold the parcel from sale or lease to any other party for six months, and must confirm the starting date of the six-month withholding period to the requesting agency or subdivision. If the request is from a governmental subdivision of the state, the governmental subdivision must pay the maintenance costs incurred by the county during the period the parcel is withheld. The county board may approve a sale or conveyance to the requesting party during the withholding period. A conveyance of the property to the requesting party terminates the withholding period.

A governmental subdivision of the state must not make, and a county auditor must not act upon, a second request to withhold a parcel from sale or lease within 18 months of a previous request for that parcel. A county may reject a request made under this paragraph if the request is made more than 30 days after the county has given notice to the requesting state agency or governmental subdivision of the state that the county intends to sell or otherwise dispose of the property.

(b) Nonconservation tax-forfeited lands may be sold by the county board, for their market value as determined by the county board, to an organized or incorporated governmental subdivision of the state for any public purpose for which the subdivision is authorized to acquire property or. When the term "market value" is used in this section, it means an estimate of the full and actual market value of the parcel as determined by the county board, but in making this determination, the board and the persons employed by or under contract with the board in order to perform, conduct, or assist in the determination, are exempt from the licensure requirements of chapter 82B.

(c) Nonconservation tax-forfeited lands may be released from the trust in favor of the taxing districts on application of to the county board by a state agency for an authorized use at not less than their market value as determined by the county board.

(d) Nonconservation tax-forfeited lands may be sold by the county board to an organized or incorporated governmental subdivision of the state or state agency for less than their market value if:

(1) the county board determines that a sale at a reduced price is in the public interest because a reduced price is necessary to provide an incentive to correct the blighted conditions that make the lands undesirable in the open market, or the reduced price will lead to the development of affordable housing; and

(2) the governmental subdivision or state agency has documented its specific plans for correcting the blighted conditions or developing affordable housing, and the specific law or laws that empower it to acquire real property in furtherance of the plans.

If the sale under this paragraph is to a governmental subdivision of the state, the commissioner of revenue must convey the property on behalf of the state by quit claim deed. If the sale under this paragraph is to a state agency, the commissioner must issue a conveyance document that releases the property from the trust in favor of the taxing districts.

(e) Nonconservation tax-forfeited land held in trust in favor of the taxing districts may be conveyed by the commissioner of revenue ~~may convey by deed~~ in the name of the state ~~a tract of tax-forfeited land held in trust in favor of the taxing districts~~ to a governmental subdivision for an authorized public use, if an application is submitted to the commissioner which includes a statement of facts as to the use to be made of the tract ~~and the need therefor~~ and the favorable recommendation of the county board. For the purposes of this paragraph, "authorized public use" means a use that allows an indefinite segment of the public to physically use and enjoy the property in numbers appropriate to its size and use, or is for a public service facility. Authorized public uses as defined in this paragraph are limited to:

6.1 (1) a road, or right-of-way for a road;

6.2 (2) a park that is both available to, and accessible by, the public that contains
6.3 amenities such as campgrounds, playgrounds, ball fields, trails, or shelters;

6.4 (3) trails for walking, bicycling, snowmobiling, or other recreational purposes, along
6.5 with a reasonable amount of surrounding land maintained in its natural state;

6.6 (4) transit ways for buses or commuter trains;

6.7 (5) public beaches or boat launches;

6.8 (6) public parking;

6.9 (7) civic recreation or conference facilities; and

6.10 (8) public service facilities such as fire halls, police stations, lift stations, water
6.11 towers, sanitation facilities, water treatment facilities, and administrative offices.

6.12 (f) The commissioner of revenue shall convey a parcel of nonconservation
6.13 tax-forfeited land to a local governmental subdivision of the state by quit claim deed
6.14 on behalf of the state upon the favorable recommendation of the county board if the
6.15 governmental subdivision has certified to the board that prior to forfeiture the subdivision
6.16 was entitled to the parcel under a written development agreement, but the conveyance
6.17 failed to occur prior to forfeiture. No compensation or consideration is required for, and
6.18 no conditions attach to, the conveyance.

6.19 (g) The commissioner of revenue shall convey a parcel of nonconservation
6.20 tax-forfeited land to the association of a common interest community by quit claim deed
6.21 upon the favorable recommendation of the county board if the association certifies to the
6.22 board that prior to forfeiture the association was entitled to the parcel under a written
6.23 agreement, but the conveyance failed to occur prior to forfeiture. No compensation or
6.24 consideration is required for, and no conditions attach to, the conveyance.

6.25 (h) Conservation tax-forfeited land may be sold to a governmental subdivision of the
6.26 state for less than its market value for either: (1) creation or preservation of wetlands;
6.27 (2) drainage or storage of storm water under a storm water management plan; or (3)
6.28 preservation, or restoration and preservation, of the land in its natural state. The deed must
6.29 contain a restrictive covenant limiting the use of the land to one of these purposes for
6.30 30 years or until the property is reconveyed back to the state in trust. At any time, the
6.31 governmental subdivision may reconvey the property to the state in trust for the taxing
6.32 districts. The deed of reconveyance is subject to approval by the commissioner of revenue.
6.33 No part of a purchase price determined under this paragraph shall be refunded upon a
6.34 reconveyance, but the amount paid for a conveyance under this paragraph may be taken
6.35 into account by the county board when setting the terms of a future sale of the same
6.36 property to the same governmental subdivision under paragraph (b) or (d). If the lands

are unplatted and located outside of an incorporated municipality and the commissioner of natural resources determines there is a mineral use potential, the sale is subject to the approval of the commissioner of natural resources.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 3. Minnesota Statutes 2008, section 282.01, subdivision 1b, is amended to read:

Subd. 1b. **Conveyance; targeted neighborhood lands.** ~~(a)~~ Notwithstanding subdivision 1a, in the case of tax-forfeited lands located in a targeted neighborhood, ~~as defined in section 469.201, subdivision 10~~ in a city of the first class, the commissioner of revenue shall convey by quit claim deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to a political subdivision of the state that submits an application to the commissioner of revenue and the favorable recommendation of the county board. For purposes of this subdivision, the term "targeted neighborhood" has the meaning given in section 469.201, subdivision 10, except that the land must be located within a first class city.

~~(b) The application under paragraph (a) must include a statement of facts as to the use to be made of the tract, the need therefor, and a resolution, adopted by the governing body of the political subdivision, finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property. Deeds of conveyance issued under paragraph (a) are not conditioned on continued use of the property for the use stated in the application.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 282.01, subdivision 1c, is amended to read:

Subd. 1c. **Deed of conveyance; form; approvals.** The deed of conveyance for property conveyed for ~~a~~ an authorized public use under the authorities in subdivision 1a, paragraph (e), must be on a form approved by the attorney general and must be conditioned on continued use for the purpose stated in the application as provided in this section. These deeds are conditional use deeds that convey a defeasible estate. Reversion of the estate occurs by operation of law and without the requirement for any affirmative act by or on behalf of the state when there is a failure to put the property to the approved authorized public use for which it was conveyed, or an abandonment of that use, except as provided in subdivision 1d.

EFFECTIVE DATE. This section is effective July 1, 2009.

8.1 Sec. 5. Minnesota Statutes 2008, section 282.01, subdivision 1d, is amended to read:

8.2 Subd. 1d. **Reverter for failure to use; conveyance to state.** (a) If after three years
8.3 from the date of the conveyance a governmental subdivision to which tax-forfeited land
8.4 has been conveyed for ~~a specified~~ an authorized public use as provided in ~~this section~~
8.5 subdivision 1a, paragraph (e), fails to put the land to that use, or abandons that use, the
8.6 governing body of the subdivision ~~may~~, must: (1) with the approval of the county board,
8.7 purchase the property for an authorized public purpose at the present ~~appraised~~ market
8.8 value as determined by the county board. ~~In that case, the commissioner of revenue~~
8.9 ~~shall, upon proper written application approved by the county board, issue an appropriate~~
8.10 ~~deed to the subdivisions free of a use restriction and reverter. The governing body may~~
8.11 ~~also, or (2) authorize the proper officers to convey the land, or the part of the land not~~
8.12 ~~required for an authorized public use, to the state of Minnesota: in trust for the taxing~~
8.13 ~~districts. If the governing body purchases the property under clause (1), the commissioner~~
8.14 ~~of revenue shall, upon property application submitted by the county auditor, convey~~
8.15 ~~the property on behalf of the state by quit claim deed to the subdivision free of a use~~
8.16 ~~restriction and the possibility of reversion or defeasement. If the governing body decides~~
8.17 ~~to reconvey the property to the state under clause (2), the officers shall execute a deed of~~
8.18 ~~conveyance immediately. The conveyance is subject to the approval of the commissioner~~
8.19 ~~and its form must be approved by the attorney general. A sale, lease, transfer, or other~~
8.20 ~~conveyance of tax-forfeited lands by a housing and redevelopment authority, a port~~
8.21 ~~authority, an economic development authority, or a city as authorized by chapter 469 is not~~
8.22 ~~an abandonment of use and the lands shall not be reconveyed to the state nor shall they~~
8.23 ~~revert to the state. A certificate made by a housing and redevelopment authority, a port~~
8.24 ~~authority, an economic development authority, or a city referring to a conveyance by it~~
8.25 ~~and stating that the conveyance has been made as authorized by chapter 469 may be filed~~
8.26 ~~with the county recorder or registrar of titles, and the rights of reverter in favor of the state~~
8.27 ~~provided by subdivision 1e will then terminate. No vote of the people is required for the~~
8.28 ~~conveyance. For the purposes of this paragraph, there is no failure to put the land to the~~
8.29 ~~authorized public use and no abandonment of that use if a formal plan of the governmental~~
8.30 ~~subdivision shows an intended future use of the land for the authorized public use.~~

8.31 (b) Property held by a governmental subdivision of the state under a conditional use
8.32 deed executed by the commissioner of revenue after January 1, 2006, may be acquired
8.33 by that governmental subdivision after 15 years from the date of the conveyance if
8.34 the commissioner determines upon written application from the subdivision that the
8.35 subdivision has in fact put the property to the authorized public use for which it was
8.36 conveyed, and the subdivision has made a finding that it has no current plans to change

the use of the lands. Prior to conveying the property, the commissioner shall inquire whether the county board where the land is located objects to a conveyance of the property to the subdivision without conditions and without further act by or obligation of the subdivision. If the county does not object within 60 days, and the commissioner makes a favorable determination, the commissioner shall issue a quit claim deed on behalf of the state unconditionally conveying the property to the governmental subdivision. For purposes of this paragraph, demonstration of an intended future use for the authorized public use in a formal plan of the governmental subdivision does not constitute use for that authorized public use.

(c) Property held by a governmental subdivision of the state under a conditional use deed executed by the commissioner of revenue before January 1, 2006, is released from the use restriction and possibility of reversion on January 1, 2021, if the county board records a document describing the land and citing this paragraph. The county board may authorize the county treasurer to deduct the amount of the recording fees from future settlements of property taxes to the subdivision.

(d) All property held by a governmental subdivision of the state under a conditional use deed executed by the commissioner of revenue is released from the use restriction and possibility of reversion on the later of: (1) January 1, 2015; (2) 40 years after the date the deed was executed; or (3) upon final resolution of an appeal to district court under subdivision 1e if the appeal was commenced prior to January 1, 2015. Upon the occurrence of clause (1), (2), or (3), the governmental subdivision may record a certificate referring to the land, the original conveyance, and to the release under this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 282.01, is amended by adding a subdivision to read:

Subd. 1g. Conditional use deed fees. (a) A governmental subdivision of the state applying for a conditional use deed under subdivision 1a, paragraph (e), must submit a fee of \$250 to the commissioner of revenue along with the application. If the application is denied, the commissioner shall refund \$150 of the application fee.

(b) The proceeds from the fees must be deposited in a Department of Revenue conditional use deed revolving fund. The sums deposited into the revolving fund are appropriated to the commissioner of revenue for the purpose of making the refunds described in this subdivision, and administering conditional use deed laws.

EFFECTIVE DATE. This section is effective for applications received by the commissioner after June 30, 2009.

Sec. 7. Minnesota Statutes 2008, section 282.01, subdivision 2, is amended to read:

Subd. 2. **Conservation lands; county board supervision.** (a) Lands classified as conservation lands, ~~unless reclassified as nonconservation lands, sold to a governmental subdivision of the state, designated as lands primarily suitable for forest production and sold as hereinafter provided, or released from the trust in favor of the taxing districts, as herein provided, will~~ must be held under the supervision of the county board of the county within which ~~such the~~ the parcels lie; and must not be conveyed or sold unless the lands are:

~~The county board may, by resolution duly adopted, declare lands classified as conservation lands as primarily suitable for timber production and as lands which should be placed in private ownership for such purposes. If such action be approved by the commissioner of natural resources, the lands so designated, or any part thereof, may be sold by the county board in the same manner as provided for the sale of lands classified as nonconservation lands. Such county action and the approval of the commissioner shall be limited to lands lying within areas zoned for restricted uses under the provisions of Laws 1939, chapter 340, or any amendments thereof.~~

(1) reclassified as nonconservation lands;

(2) conveyed to a governmental subdivision of the state under subdivision 1a;

(3) released from the trust in favor of the taxing districts as provided in paragraph (b); or

(4) conveyed or sold under the authority of another general or special law.

(b) The county board may, by resolution duly adopted, resolve that certain lands classified as conservation lands shall be devoted to conservation uses and may submit ~~such a~~ a resolution to the commissioner of natural resources. If, upon investigation, the commissioner of natural resources determines that the lands covered by ~~such the~~ the resolution, or any part thereof, can be managed and developed for conservation purposes, the commissioner shall make a certificate describing the lands and reciting the acceptance thereof on behalf of the state ~~for such purposes~~. The commissioner shall transmit the certificate to the county auditor, who shall note the same upon the auditor's records and record the same with the county recorder. The title to all lands so accepted shall be held by the state free from any trust in favor of any and all taxing districts and ~~such the~~ the lands shall be devoted thereafter to the purposes of forestry, water conservation, flood control, parks, game refuges, controlled game management areas, public shooting grounds, or other public recreational or conservation uses, and managed, controlled, and regulated

11.1 ~~for such purposes~~ under the jurisdiction of the commissioner of natural resources and
11.2 the divisions of the department.

11.3 (c) All proceeds derived from the sale of timber, lease of crops of hay, or other
11.4 revenue from lands under the jurisdiction of the commissioner of natural resources shall
11.5 be credited to the general fund of the state.

11.6 ~~In case~~ (d) If the commissioner of natural resources shall determine determines that
11.7 any tract of land ~~so held~~ acquired by the state under paragraph (b) and situated within or
11.8 adjacent to the boundaries of any governmental subdivision of the state is suitable for use
11.9 by ~~such~~ the subdivision for any authorized public purpose, the commissioner may convey
11.10 ~~such the~~ tract by deed in the name of the state to ~~such the~~ subdivision upon the filing
11.11 with the commissioner of a resolution adopted by a majority vote of all the members
11.12 of the governing body thereof, stating the purpose for which the land is desired. The
11.13 deed of conveyance shall be upon a form approved by the attorney general and must be
11.14 conditioned upon continued use for the purpose stated in the resolution. ~~All proceeds~~
11.15 ~~derived from the sale of timber, lease of hay stumpage, or other revenue from such~~
11.16 ~~lands under the jurisdiction of the natural resources commissioner shall be paid into the~~
11.17 ~~general fund of the state.~~

11.18 (e) The county auditor, with the approval of the county board, may lease conservation
11.19 lands remaining under the jurisdiction supervision of the county board and sell timber
11.20 and hay stumpage thereon in the manner hereinafter provided, and all proceeds derived
11.21 therefrom shall be distributed in the same manner as provided in section 282.04.

11.22 **EFFECTIVE DATE.** This section is effective July 1, 2009.

11.23 Sec. 8. Minnesota Statutes 2008, section 282.01, subdivision 3, is amended to read:

11.24 Subd. 3. **Nonconservation lands; appraisal and sale.** (a) All parcels of land
11.25 classified as nonconservation, except those which may be reserved, shall be sold as
11.26 provided, if it is determined, by the county board of the county in which the parcels lie,
11.27 that it is advisable to do so, having in mind their accessibility, their proximity to existing
11.28 public improvements, and the effect of their sale and occupancy on the public burdens.
11.29 Any parcels of land proposed to be sold shall be first appraised by the county board of
11.30 the county in which the parcels lie. The parcels may be reappraised whenever the county
11.31 board deems it necessary to carry out the intent of sections 282.01 to 282.13.

11.32 (b) In an appraisal the value of the land and any standing timber on it shall be
11.33 separately determined. No parcel of land containing any standing timber may be sold until
11.34 the appraised value of the timber on it and the sale of the land have been approved by the
11.35 commissioner of natural resources. The commissioner shall base review of a proposed

12.1 sale on the policy and considerations specified in subdivision 1. The decision of the
12.2 commissioner shall be in writing and shall state the reasons for it. The commissioner's
12.3 decision is exempt from the rulemaking provisions of chapter 14 and section 14.386
12.4 does not apply. The county may appeal the decision of the commissioner in accordance
12.5 with chapter 14.

12.6 (c) In any county in which a state forest or any part of it is located, the county
12.7 auditor shall submit to the commissioner at least 60 days before the first publication of the
12.8 list of lands to be offered for sale a list of all lands included on the list which are situated
12.9 outside of any incorporated municipality. If, at any time before the opening of the sale, the
12.10 commissioner notifies the county auditor in writing that there is standing timber on any
12.11 parcel of ~~such~~ land, the parcel shall not be sold unless the requirements of this section
12.12 respecting the separate appraisal of the timber and the approval of the appraisal by the
12.13 commissioner have been complied with. The commissioner may waive the requirement
12.14 of the 60-day notice as to any parcel of land which has been examined and the timber
12.15 value approved as required by this section.

12.16 (d) If any public improvement is made by a municipality after any parcel of land has
12.17 been forfeited to the state for the nonpayment of taxes, and the improvement is assessed in
12.18 whole or in part against the property benefited by it, the clerk of the municipality shall
12.19 certify to the county auditor, immediately upon the determination of the assessments for
12.20 the improvement, the total amount that would have been assessed against the parcel of land
12.21 if it had been subject to assessment; or if the public improvement is made, petitioned for,
12.22 ordered in or assessed, whether the improvement is completed in whole or in part, at any
12.23 time between the appraisal and the sale of the parcel of land, the cost of the improvement
12.24 shall be included as a separate item and added to the appraised value of the parcel of land
12.25 at the time it is sold. No sale of a parcel of land shall discharge or free the parcel of land
12.26 from lien for the special benefit conferred upon it by reason of the public improvement
12.27 until the cost of it, including penalties, if any, is paid. The county board shall determine
12.28 the amount, if any, by which the value of the parcel was enhanced by the improvement and
12.29 include the amount as a separate item in fixing the appraised value for the purpose of sale.
12.30 ~~In classifying, appraising, and selling the lands, the county board may designate the tracts~~
12.31 ~~as assessed and acquired, or may by resolution provide for the subdivision of the tracts into~~
12.32 ~~smaller units or for the grouping of several tracts into one tract when the subdivision or~~
12.33 ~~grouping is deemed advantageous for the purpose of sale. Each such smaller tract or larger~~
12.34 ~~tract must be classified and appraised as such before being offered for sale. If any such~~
12.35 ~~lands have once been classified, the board of county commissioners, in its discretion, may,~~
12.36 ~~by resolution, authorize the sale of the smaller tract or larger tract without reclassification.~~

13.1 **EFFECTIVE DATE.** This section is effective July 1, 2009.

13.2 Sec. 9. Minnesota Statutes 2008, section 282.01, subdivision 4, is amended to read:

13.3 Subd. 4. **Sale: method, requirements, effects.** The sale authorized under
13.4 subdivision 3 must be conducted by the county auditor at the county seat of the county in
13.5 which the parcels lie, except that in St. Louis and Koochiching Counties, the sale may
13.6 be conducted in any county facility within the county. The sale must not be for less than
13.7 the appraised value except as provided in subdivision 7a. The parcels must be sold for
13.8 cash only ~~and at not less than the appraised value~~, unless the county board of the county
13.9 has adopted a resolution providing for their sale on terms, in which event the resolution
13.10 controls with respect to the sale. When the sale is made on terms other than for cash only
13.11 (1) a payment of at least ten percent of the purchase price must be made at the time of
13.12 purchase, and the balance must be paid in no more than ten equal annual installments, or
13.13 (2) the payments must be made in accordance with county board policy, but in no event
13.14 may the board require more than 12 installments annually, and the contract term must not
13.15 be for more than ten years. Standing timber or timber products must not be removed from
13.16 these lands until an amount equal to the appraised value of all standing timber or timber
13.17 products on the lands at the time of purchase has been paid by the purchaser. If a parcel of
13.18 land bearing standing timber or timber products is sold at public auction for more than
13.19 the appraised value, the amount bid in excess of the appraised value must be allocated
13.20 between the land and the timber in proportion to their respective appraised values. In that
13.21 case, standing timber or timber products must not be removed from the land until the
13.22 amount of the excess bid allocated to timber or timber products has been paid in addition
13.23 to the appraised value of the land. The purchaser is entitled to immediate possession,
13.24 subject to the provisions of any existing valid lease made in behalf of the state.

13.25 For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price
13.26 is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance
13.27 of the purchase price for sales occurring after December 31, 1990, is subject to interest
13.28 at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to
13.29 change each year on the unpaid balance in the manner provided for rate changes in section
13.30 549.09 or 279.03, subdivision 1a, whichever, is applicable. Interest on the unpaid contract
13.31 balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale
13.32 at the time that the sale occurred.

13.33 **EFFECTIVE DATE.** This section is effective July 1, 2009.

13.34 Sec. 10. Minnesota Statutes 2008, section 282.01, subdivision 7, is amended to read:

Subd. 7. **County sales; notice, purchase price, disposition.** The sale must commence at the time determined by the county board of the county in which the parcels are located. The county auditor shall offer the parcels of land in order in which they appear in the notice of sale, and shall sell them to the highest bidder, but not for a sum less than the appraised value, until all of the parcels of land have been offered. Then the county auditor shall sell any remaining parcels to anyone offering to pay the appraised value, except that if the person could have repurchased a parcel of property under section 282.012 or 282.241, that person may not purchase that same parcel of property at the sale under this subdivision for a purchase price less than the sum of all taxes, assessments, penalties, interest, and costs due at the time of forfeiture computed under section 282.251, and any special assessments for improvements certified as of the date of sale. The sale must continue until all the parcels are sold or until the county board orders a reappraisal or withdraws any or all of the parcels from sale. The list of lands may be added to and the added lands may be sold at any time by publishing the descriptions and appraised values. The added lands must be: (1) parcels of land that have become forfeited and classified as nonconservation since the commencement of any prior sale; (2) parcels classified as nonconservation that have been reappraised; (3) parcels that have been reclassified as nonconservation; or (4) other parcels that are subject to sale but were omitted from the existing list for any reason. The descriptions and appraised values must be published in the same manner as provided for the publication of the original list. Parcels added to the list must first be offered for sale to the highest bidder before they are sold at appraised value. All parcels of land not offered for immediate sale, as well as parcels that are offered and not immediately sold, continue to be held in trust by the state for the taxing districts interested in each of the parcels, under the supervision of the county board. Those parcels may be used for public purposes until sold, as directed by the county board.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 11. Minnesota Statutes 2008, section 282.01, subdivision 7a, is amended to read:

Subd. 7a. **City sales; alternate procedures.** Land located in a home rule charter or statutory city, or in a town which cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage or access may be sold by the county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale will encourage the approval of sale of the land by the city or town and promote its return to the tax rolls. If the physical characteristics of the land indicate that its highest and best use will be achieved by combining it with an adjoining parcel and the city or town has not adopted a local ordinance governing minimum area, shape, frontage, or access, the land

may also be sold pursuant to this subdivision. If the property consists of an undivided interest in land or land and improvements, the property may also be sold to the other owners under this subdivision. The sale of land pursuant to this subdivision shall be subject to any conditions imposed by the county board pursuant to section 282.03. The governing body of the city or town may recommend to the county board conditions to be imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining the land to be sold. The county auditor shall conduct the sale by sealed bid or may select another means of sale. The land shall be sold to the highest bidder ~~but in no event shall the land~~ and may be sold for less than its appraised value. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days prior to the sale.

This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 12. Minnesota Statutes 2008, section 287.2205, is amended to read:

287.2205 TAX-FORFEITED LAND.

Before a state deed for tax-forfeited land may be issued, the deed tax must be paid by the purchaser of tax-forfeited land whether the purchase is the result of a public auction or private sale or a repurchase of tax-forfeited land. State agencies and local units of government that acquire tax-forfeited land by purchase or any other means are subject to this section. The deed tax is \$1.65 for a conveyance of tax-forfeited lands to a governmental subdivision for an authorized public use under section 282.01, subdivision 1a, ~~or for redevelopment purposes under section 282.01, subdivision 1b.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 13. **REPEALER.**

Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, and 11; and 383A.76, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2009.